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12
13 BEFORE THE FAIR POLITICAL PRACTICES COMMISSION
14
15 STATE OF CALIFORNIA

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17 In the Matter of:

18 ARNOLD SCHWARZENEGGER,
19 GOVERNOR SCHWARZENEGGER'S
20 CALIFORNIA RECOVERY TEAM,
21 THOMAS HILTACHK,

22 Respondents.

FPPC No: 06/183

STIPULATION, DECISION, and
ORDER

23 Complainant Mark Krausse, Executive Director of the Fair Political Practices
24 Commission, and Respondents Arnold Schwarzenegger, Governor Schwarzenegger's California
25 Recovery Team, and Thomas Hiltachk hereby agree that this stipulation will be submitted for
26 consideration by the Fair Political Practices Commission at its next regularly scheduled meeting.

27 The parties agree to enter into this stipulation to resolve all factual and legal issues raised
28 by this matter and to reach a final disposition without the necessity of holding an administrative
hearing to determine the liability of Respondents.

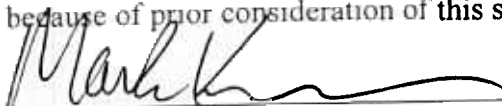
Respondents understand, and hereby knowingly and voluntarily waive, any and all
procedural rights set forth in sections 83115.5, 11503 and 11523 of the Government Code, and in
sections 18361.1 through 18361.9 of title 2 of the California Code of Regulations. This includes,
but is not limited to, the right to personally appear at any administrative hearing held in this
matter, to be represented by an attorney at Respondents' own expense, to confront and cross-

1 examine all witnesses testifying at the hearing, to subpoena witnesses to testify at the hearing, to
2 have an impartial administrative law judge preside over the hearing as a hearing officer, and to
3 have the matter judicially reviewed.

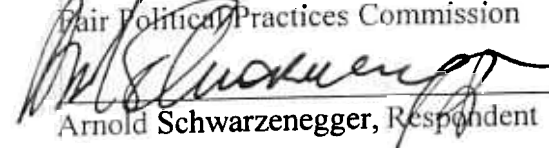
4 It is further stipulated and agreed that Respondents Arnold Schwarzenegger, Governor
5 Schwarzenegger's California Recovery Team, and Thomas Hiltachk violated the Political
6 Reform Act by failing to timely file 143 required 24-hour campaign reports disclosing
7 independent expenditures of approximately \$25,600,000 for advertising in support of
8 Propositions 74, 75, 76, and 77, during the 90-day period preceding the November 8, 2005,
9 special election, in violation of Government Code section 85500, subdivision (a) (143 counts), as
10 described in Exhibit 1. Exhibit 1 is attached hereto and incorporated by reference as though fully
11 set forth herein. Exhibit 1 is a true and accurate summary of the facts in this matter.

12 Respondents agree to the issuance of the decision and order, which is attached hereto.
13 Respondents also agree to the Commission imposing upon them an administrative penalty in the
14 amount of Two Hundred Thousand Two Hundred Dollars (\$200,200.00). A cashier's check
15 from Respondents in said amount, made payable to the "General Fund of the State of
16 California," is submitted with this stipulation as full payment of the administrative penalty, and
17 shall be held by the State of California until the Commission issues its decision and order
18 regarding this matter. The parties agree that in the event the Commission refuses to accept this
19 stipulation, it shall become null and void, and within fifteen (15) business days after the
20 Commission meeting at which the stipulation is rejected, all payments tendered by Respondents
21 in connection with this stipulation shall be reimbursed to Respondents. Respondents further
22 stipulate and agree that in the event the Commission rejects the stipulation, and a full evidentiary
23 hearing before the Commission becomes necessary, neither any member of the Commission, nor
24 the Executive Director, shall be disqualified because of prior consideration of this stipulation.

25 Dated: 6/27/06

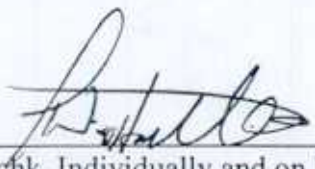

Mark Krausse, Executive Director
Fair Political Practices Commission

27 Dated: 6/26/06


Arnold Schwarzenegger, Respondent

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Dated: 6/23/06


Thomas Hiltachk, Individually and on behalf of
Governor Schwarzenegger's California Recovery
Team, Respondents

DECISION AND ORDER

The foregoing stipulation of the parties "Arnold Schwarzenegger, Governor
Schwarzenegger's California Recovery Team, and Thomas Hiltachk (FPPC No. 06/183)," including all attached exhibits, is hereby accepted as the final decision and order of the Fair Political Practices Commission, effective upon execution below by the Chairman.

IT IS SO ORDERED.

Dated: _____

Liane M. Randolph, Chairman
Fair Political Practices Commission